REMARKS

In the Office Action, the Examiner rejected Claims 1-8, 10-16 and 20123, which were all of the then pending claims, under 35 U.S.C. §102 as being fully anticipated by U.S. Patent 6,226,618 (Downs, et al.).

Independent Claims 1, 2, 3, 10 and 13 are herein being amended to improve the form and readability of the claims. New claim 24, which is dependent from Claim 1, is being added to describer preferred features of the invention, and Claim 20 is being cancelled to reduce the number of issues in this case.

For the reasons presented below, Claims 1-8, 10-16 and 21-24 patentably distinguish over the prior art and are allowable. The Examiner is, accordingly, asked to reconsider and to withdraw the rejection of Claims 1-8, 10-16 and 21-23, and to allow these claims and new Claim 24.

As discussed in detail in the present application, this invention relates to a system and method for charging users for copying or using digital data. In a preferred embodiment, a server machine generates content that is delivered to a client machine. The server machine also writes charging data into an IC card that is provided to a user. The client machine uses the delivered, digital data content and the IC card is used to pay for the use of that data.

To help determine how much to charge for the delivered digital data, the IC card is also provided with data, referred to as recognition data, that helps to identify the type of the digital data delivered to the client machine. The user can then be charged for that digital data on the basis of the type of data it is. Charging or payment information can then be written into the IC card, as part of the charging data therein.

Downs, et al. describes an electronic content delivery system, but this reference is directed to encrypting and decrypting that data. For example, in Column 3, lines 40-56, Downs, et al. discusses a procedure for encrypting, decrypting and then re-encrypting a data decrypting key.

There is, hence, a very important difference between the present invention and Downs, et al. This invention is specifically directed to charging for the downloaded data, while Downs, et al. is not.

There are additional, more specific differences between the present invention and downs, et al. One of these specific differences is that Downs, et al. does not disclose or suggest the recording medium used in the present invention – that is, a recording medium that includes both (i) recognition data that is used to help identify the type of data downloaded to the client computer, and (ii) charging data relating to paying for the downloaded data.

In the Office Action, the Examiner cited several specific portions of Downs, et al. in support of the rejection of Claim 1. It is respectfully submitted, however, that these cited portions of Downs, et al. do not support the rejection of the claim. For example, Column 3, lines 40-56 of Downs, et al. describes an encryption system to securely transmit digital contents over a network. This description is not relevant to the claimed invention because the claims do not require data transmittal over a network or encryption. Column 7, line 40 to Column 8, line 56 of Downs, et al. gives a general description of digital watermarks. The present invention is aimed at a system itself which allows automatic billing at the end of a user (who may embed a watermark) for a digital data service. This invention does not require any specific digital watermarking technology itself.

Column 8, lines 6-15 of Downs, et al. discloses an encryption system for allowing a clearing house to transmit digital contents between a content provider and users in a secure manner. No billing or accounting is referred to here. Also, Column 10, line 50 to Column 11, line 28 of Downs, et al. more specifically refers to a clearing house. However, the present invention requires neither a clearing house nor transmitting data automatically by the machine at a user and a media recording billing information.

Thus, Applicants respectfully submit that Downs, et al. does not provide the disclosure for which it was cited.

Each of independent Claims 1, 2, 3, 10 and 13 clearly describe features not shown in or suggested by Downs, et al. In particular, each of these claims describes the feature that the recognition data in the recording medium is used to identify the type of the digital data, and that the user is charged for that digital data on the basis of the type of data it is.

This feature is of utility for a number of reasons. For instance, the user can be charge different amounts for different types of data, and these different amounts can be identified in the recording medium, which can be held by the user.

Applicants' Attorneys have reviewed the entire downs, et al. reference, in addition to the specific sections cited by the Examiner, and this reference does not disclose or suggest this feature of the invention.

The other references of record have also been considered, and these other references, whether they are considered individually or in combination, also do not show or suggest the above-discussed feature of the invention.

Because of the above-discussed differences between Claims 1, 2, 3, 10 and 13 and the prior art, and because of the advantages associated with those differences, these claims patentably distinguish over the prior art and are allowable. Claims 21 an 24 are dependent from Claim 1 and are allowable therewith, and Claims 4-8 are dependent from Claim 3 and are allowable therewith. Also, Claims 11, 12, 22 and 23 are dependent from Claim 10 and are allowable therewith; and Claims 14-16 are dependent from, and are allowable with, Claim 13. The Examiner is, thus, requested to reconsider and to withdraw the rejection of Claims 1-8, 10-16, and 21-23 under 35 U.S.C. §102, and to allow these claims and new Claim 24.

Every effort has been made to place this case in condition for allowance, a notice of which is requested. If the Examiner believes that a telephone conference with Applicants' Attorneys would be advantageous to the disposition of this case, the Examiner is asked to telephone the undersigned.

Respectfully Submitted,

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